

The DoD's slow payment process results from Defense Printing Service ("DPS") requiring that all GPO invoices pass through its organization before payment is initiated; also, DoD does not use OPAC. DPS bills its customers and pays GPO after receipt of payment from its DoD customers. This additional layer of DoD administration has had an immediate negative impact on GPO's ability to collect from DoD since the inception of DPS in October 1992. GPO has been working with DoD management to resolve this problem, and a special task force has been established within DoD to research and pay GPO invoices. Another goal of the task force is to convert DoD's payment process from a manual to an electronic system. This conversion is scheduled for fiscal year 1996. GPO's goal for fiscal year 1996 is to improve the DoD receivables turnover while maintaining non-DoD collections at the current rate.

Management Comments

GPO's consolidated financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). GAAP requires that financial statements be prepared on the accrual basis of accounting, whereby expenses are recorded when incurred and revenues are recorded when earned, regardless of when cash is received or disbursed. The statements are prepared in a manner consistent with that of the previous year. The accompanying financial statements provide information on all events and economic affairs controlled by GPO in conformity with established procedures and promulgated accounting principles.

GPO's accounting system includes internal controls designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are properly recorded. To ensure that adequate internal controls are maintained, management monitors the accounting system and initiates modifications or improvements deemed necessary to promote operational efficiencies and encourage adherence to prescribed managerial policies.

Budgetary Issues

GPO's mission is to assist Congress and Federal agencies in the cost-effective creation and replication of information products and services and to provide effective and economical public access to government information products and services. GPO strives to operate and manage its resources as efficiently as possible and to achieve a steady gain in productivity.

Neither Congress nor GPO has the ability to accurately forecast or control the volume of printing that may be needed for the legislative process. In years where the workload exceeds the funding available, GPO exercises its authority to temporarily fund any shortfall through the Revolving Fund. There has been a decline in traditional printing and binding in the Federal government, and this trend is expected to continue. GPO will respond to the decline in demand for ink-on-paper products by continuing to downsize and reduce costs, by procuring a larger share of the Federal printing market, and by encouraging the adoption of electronic-media products when cost effective.

GPO actively pursues avenues that will make GPO and the Federal government as a whole more efficient. GPO has agreed to perform reimbursable services, such as billing and collecting for advertisements in the *Commerce Business Daily* for the Department of Commerce, and has offered to provide support services to other governmental units in order to reduce administrative costs charged to GPO products and services.

GPO has invested in equipment modernization, new technology, and facilities improvements that have improved efficiency and will allow GPO to offer more comprehensive services to the marketplace. This includes increased reliance on printing-on-demand to reduce inventory carrying costs and to be more responsive to customers.

Since fiscal year 1990, GPO has achieved major cost reductions and efficiencies which have been passed on to our customers. During this period:

- Workload has continuously declined; thus, total hours charged to printing products have been reduced by 21 percent.
- The number of employees has been reduced by 1,075, with an annual savings in personnel compensation of \$54 million. Also, in fiscal year 1995, no pay raises were granted to GPO employees. Overtime has been reduced by 41 percent, and GPO employees detailed to Congress have been reduced by 23 percent.
- The number of supervisors and managers has been reduced by approximately 22 percent, and layers of administration have been eliminated.
- Facilities have been consolidated, and the lease of 61,000 square feet at Union Center Plaza in Washington, D.C., has been terminated. Additionally, GPO's main plant now occupies 33,000 fewer square feet than two years ago. This space has been reassigned to the Superintendent of Documents Operations.
- The Rapid Response Center printing facility at the Navy Yard in Washington, D.C., and the Seattle Regional Printing Office were closed.
- The time required to print most jobs has declined through the implementation of improved technology and production methods.

Fiscal Year 1995 Results

The public printing and documents chapters of Title 44, United States Code, require GPO to fulfill the printing needs of the Federal government and distribute government publications to the public. GPO's activities are financed through a Revolving Fund, which is reimbursed by payments from client agencies, sales to the public, and transfers from the Congressional Printing and Binding Appropriation and the Salaries and Expenses Appropriation of the Superintendent of Documents. These annual appropriations reimburse GPO for costs incurred while performing congressional work and fulfilling statutory requirements associated with the distribution of government publications. Reimbursements from these appropriations to the Revolving Fund are recorded as revenues.